

Utah State Building Board



MEETING

July 10, 2002

MINUTES

Utah State Building Board Members in attendance:

Keith Stepan, Chair
Kay Calvert, Vice Chair
Larry Jardine
Haze Hunter
Kerry Casaday
Manuel Torres

DFCM and Guests in attendance:

Joseph A. Jenkins	Division of Facilities Construction & Management
Kenneth Nye	Division of Facilities Construction & Management
Kent Beers	Division of Facilities Construction & Management
Shannon Lofgreen	Division of Facilities Construction & Management
Justin Caton	Division of Facilities Construction & Management
David McKay	Division of Facilities Construction & Management
Alan Bachman	Attorney General's Office/DFCM
Camille Anthony	Department of Administrative Services
Michael Raddon	Spectrum & Bennion
Bryan Wilmot	Corrections/UCI
Ned Carnahan	Dixie State College
Dennis Geary	College of Eastern Utah
Pete van der Have	University of Utah
John Huish	University of Utah
Darrell Hart	Utah State University
Brent Windley	Utah State University
Mike Perez	Weber State University
Greg Stauffer	Southern Utah University
Jim Michaelis	Utah Valley State College
Bart Hopkin	Department of Human Services
Lynn Samsel	Department of Human Services
Marlo Wilcox	Department of Workforce Services
Ken Frank	Department of Public Safety

Bill Juszczak	Department of Transportation
Greg Peay	Department of Corrections
Doug Pruitt	AIA
Valerie Nagasawa	GSBS Architects
Stephen Smith	GSBS Architects
Wilson Martin	State History
Elizabeth Mitchell	AIA Utah
Mark Spencer	Board of Regents
RoLynne Christensen	VCBO Architecture

On Wednesday, July 10, 2002, a regularly scheduled Utah State Building Board meeting was held at the Utah System of Higher Education Regents Boardroom, Salt Lake City, Utah. Chairman Keith Stepan called the meeting to order at 9:06 am. Commissioner Cecelia Foxley welcomed the Board to their new facility and thanked the Board and DFCM for their assistance in obtaining the location. She expressed appreciation for the ongoing support for the facilities needs of Higher Education at all of the institutions.

☐ **APPROVAL OF MINUTES OF JUNE 5, 2002**

Chair Stepan sought a motion on the Building Board minutes of June 5, 2002.

MOTION: Kerry Casaday moved to approve the Utah State Building Board meeting minutes of June 5, 2002. The motion was seconded by Larry Jardine and passed unanimously.

☐ **RESOLUTION OF FY2002-03 BUDGET SHORTFALL**

Joseph Jenkins stated DFCM had been severely impacted by the decisions of the Legislature in their attempts to cover the budget shortfall. The Legislature determined to rescind all general funds for DFCM operating costs; however, the Legislature has allowed DFCM to use project reserve and contingency reserve funds to fund the operation for the current fiscal year. Those funds are one time dollars allocated out of projects to fund the operation. The Legislature indicated that they will address the situation in August and again in January. This was very difficult news for DFCM and the Department of Administrative Services, however, they both appreciated it was a tough situation.

The Legislature also withdrew \$8.9 million out of capital improvements, which was also one time funding. The Legislature did not revert back to the .9% permanently, but will on the basis of budget shortfall years. The 1.1% will remain in statute and be applicable in positive budget years. This decision will impact each agency and institution dealing with DFCM, and DFCM has resolved to allow agencies and institutions the opportunity to

decrease their own budgets approved by the Board. Agencies and institution can report back to the Board on their reductions if it is so desired.

Camille Anthony stated obviously this budget was targeted because it had the dollars, but was not the only budget funded with a similar mechanism and other offices were affected. Ms. Anthony felt this was a fairly desperate measure to obtain general fund ongoing money and noted special sessions did not lend themselves to good policy discussions. She hoped there would be some time with the Committee in August to retrace the thoughts on this policy and refocus the efforts to move forward.

Mr. Jenkins mentioned some building projects funded with cash had been at risk. The bond was redone to incorporate those projects including Washington County Youth Corrections, the Utah State University Merrill Library, the University of Utah Health Science building balance, Canyonlands Youth Corrections, and \$1.6 million for National Guard. DFCM has been made whole in all of their building projects by floating another bond.

Haze Hunter asked if there was any indication that, if the economy accelerated later on in the year, the funds would be restored or would DFCM have to wait until the next legislative session. Mr. Jenkins replied DFCM would probably have to wait until the next legislative session, although the Legislature indicated they would revisit the issue in August. The Legislature is discussing the aspect of funding various DFCM operations out of capital improvement projects. DFCM has some intrigue with the concept; however, several operations have no nexus to the capital projects and could not be funded through that means. DFCM, Kevin Walthers, and the Committee will coordinate to develop another solution.

Chair Stepan asked how far the contingency would take DFCM in terms of operations. Mr. Jenkins replied that, currently DFCM has \$2.7 million in the project reserve and contingency reserve accounts. In addition, DFCM has the four classroom projects coming in under budget and could possibly obtain some money from the reserve accounts.

DFCM will return to the Board to discuss the reduction of the capital improvement budget at the August meeting. Joseph Jenkins stated there were some projects DFCM wished to proceed with immediately and requested permission to proceed to which the Board agreed. Chair Stepan thanked Ms. Anthony for her efforts.

Kevin Walthers added it was not an easy year and the fact that the Board was able to keep the 1.1% was fairly significant as there was a late move to revert back to the .9%. One time money continues to float around in ongoing budgets.

Camille Anthony stated two positions were lost in Administrative Services, but no positions were lost in DFCM.

☐ CAPITAL DEVELOPMENT PRIORITIZATION PROCESS.....

Kenneth Nye stated the Board previously discussed how to address capital development project prioritizations this year. The first step of the process was for agencies and institutions to develop a needs statement in order to better define and justify up front the need for the project request. The needs statements were submitted in June and Mr. Nye distributed a packet containing all of the needs statements for state funded capital development requests with only a few exceptions. In August, DFCM intends to identify which projects should be included at the October hearings. This will allow DFCM staff to perform a far more intensive look at the projects and verify the scope and costs of the projects. The current need statements provided a preliminary cost and square footage estimate, but may need to be refined.

Mr. Nye stated the current need statement for Archives was not included, but should be considered. The Board would obtain better understanding of the project further on in the meeting and the study analysis would take place separately of the needs statement.

There were also a few projects submitted by some of the regional Applied Technology Colleges which were not prioritized or recommended by the new UCAT Board. Under the statute, the UCAT Board needs to address the projects in order to certify they have met certain statutory requirements prior to the Board reviewing the projects. Those projects which had not gone through the process were not included in the packet.

Mr. Nye mentioned they had asked the agencies and institutions to submit needs statements for their top priority projects for consideration for funding this upcoming session, however, some submitted needs statements for everything identified as a future issue. In general, DFCM suggested the Board focus their attention on the top priority for each of the agencies and institutions as they are likely to receive the most serious consideration. An index was included identifying the ranking of each agency. The multi-agency list identified two separate regional centers which service several agencies and therefore could not be prioritized within an agency. DFCM suggested both of the projects for consideration.

Other agencies and institutions that may be beneficial to consider beyond the first priority included the Sandy Courts land purchase and lease purchase, which could possibly be viewed as a non-state funded request. For the Department of Natural Resources, Division of Parks and Recreation, their top priority is four new campgrounds, however the Green River Golf Course expansion, which recently lost its funding through the budget cuts, may also be given some consideration. Mr. Nye suggested the Board also look at all of the projects for the Department of Transportation as their funding will be coming from separate transportation funding sources. A few others may have a second priority for an agency or institution that may warrant consideration, but it would be difficult to grant two projects high

consideration.

Mr. Jenkins stated that, in order to adequately represent all involved agencies, DFCM wished to return to the Board in October with a scope, a site indication and a full cost. Agencies without those three items will not be presented to the Board.

Mr. Nye mentioned that, given the combination of the projects that will be seen through tours, as well as the limited availability of funding anticipated next session, DFCM would anticipate limiting the Board hearings to one day this year. Currently they are scheduled for October 1 and 2 and Mr. Nye asked the Board to determine a preference as to which day they would like to meet.

Chair Stepan asked that, with limited funding situation, if it would be advisable to limit the Board's view of projects not only in tours, but also in DFCM's preparation of materials. Mr. Nye stated the process in August will short list the projects and allow DFCM to focus the attention on projects which will be heard in October.

Kevin Walthers stated the Capital Facilities Subcommittee will meet in August and asked if the Board wished to meet with them then. The Board agreed and Mr. Nye and Mr. Walthers will coordinate.

❑ PROGRAMMING OF SUU TEACHER EDUCATION BUILDING.....

Joseph Jenkins stated the Board's administrative rules allow agencies to proceed with programming on facilities if the agency provides the funds and the Board approves the project. DFCM currently has similar projects underway at the University of Utah and Utah State University libraries. Normally DFCM does not suggest beginning the process unless the building has been considered, evaluated, and ranked fairly high on the list. The project had been placed on the list two to three times, and was placed on the funding list previously but was cut due to budget shortfalls. A letter from President Bennion requested authorization to proceed.

Greg Stauffer stated teacher education is the heart and soul of Southern Utah University as more than 1/3 of their students take coursework in that area. There are about 1500 undergraduate and 200 Masters of Education in that program each year. It has grown anywhere from 75 – 90% over the last eight years. Currently the programs are housed in a building built in 1898 which needs significant seismic renovations in order to maintain occupancy. An increase in square feet is also needed. In terms of level of support of funding, it has been high on the list the last few years and has been recommended. As SUU does the programming, the current plan of \$16-17 million will include four buildings with some operational funding, and will also attempt to obtain some funding for the professional development school with the local school district. Matthias Mueller of DFCM

has been very helpful in providing SUU with an idea with their submittal for approval in the approximate four month process and will cost approximately \$65,000-\$75,000 for programming including fitting within the mission, square footage, site utility plans, and occupancy issues.

Kenneth Nye stated the effort would be for programming only and would be funded entirely by the University. SUU required Board approval before proceeding.

MOTION: Haze Hunter moved to allow Southern Utah University to begin planning for the Teachers Education building by using Southern Utah University funds. The motion was seconded by Kay Calvert and passed unanimously.

❑ ADMINISTRATIVE REPORT FOR UNIVERSITY OF UTAH AND UTAH STATE UNIVERSITY

John Huish reported for the University of Utah for the period of May 17 to June 21, 2002. There were two new A/E agreements awarded for remodeling projects including one at Orson Spencer Hall for a study and the other for the Health Network Redwood Road dental clinic design.

MOTION: Larry Jardine moved to approve the administrative report for the University of Utah. The motion was seconded by Manuel Torres and passed unanimously.

Brent Windley reported for Utah State University for the period of May 15 to June 19, 2002. There were two new A/E projects including one for the Geology Building campus air conditioning phase II, which will be completed by July 21. There was also another contract for design for the west end of the Biology/Natural Resources master plan.

There were five new construction contracts, mostly in the housing area to bring it up to code, consisting of fire alarm, sprinkling systems, electronic locks. Also, a score board for the Spectrum, which must be completed by August 31, and the contract includes the tearing down of the old scoreboard and removal and the restructuring of the room of the Spectrum.

The delegated projects list increased to 28 projects including 17 under construction, four in design phase and nine completed.

The open house for the engineering building is on August 16 and invitations will be in the mail shortly. The tour will also identify the spaces where they hope the cogeneration plant

will be located and are currently focusing on financing packages. Mr. Jenkins stated the project came in at least eight months early and landscaping is currently underway by USU staff.

MOTION: Manuel Torres moved to accept the administrative report of Utah State University. The motion was seconded by Haze Hunter and passed unanimously.

☐ LONG TERM LEASE REQUEST FOR FILLMORE UHP OFFICE.....

Kenneth Nye stated the statute requires the Board to grant approval to leases longer than ten years. The Utah Highway Patrol in Fillmore is leasing space in a 85 year old building that is in poor working condition and very inadequate for their needs. The county is in the process of adding space on their facility and has offered to include space for the Highway Patrol for a ten year lease. The proposed lease rate is only \$7.00/foot plus the O&M costs and the \$7.00/foot costs will not increase during the ten-year period. This rate is far better than DFCM could obtain on the open market and has the benefit of a co-location with the County Sheriff. The County wished to have the UHP co-located and are therefore providing the ideal rate.

MOTION: Haze Hunter moved to approve the lease request for the Fillmore UHP office. The motion was seconded by Kay Calvert and passed unanimously.

☐ TOUR AND SITE RESOLUTION FOR ARCHIVES PROJECT.....

Wilson Martin, Acting Director of the Division of State History, thanked Mr. Jenkins and Dave McKay, DFCM, who helped undertake the process of the design charette for Archives. They were also aided by Gillies Stransky Brems Smith (GSBS) Architects.

Mr. Martin referred the Board to a drawing in their booklets. The goal of the design charette when examining the Archives building was to develop guiding principles between three agencies to work together for the benefit of the state and for the economic benefit of co-location. He referenced the minutes of April 29, 2002 and noted the guiding principles. The guiding principles were combined with the three agencies, Division of State History, State Archives, and State Arts Council which examined options to determine the best site.

The 13 guiding principles were aimed for State History, Archives, and Arts to create a place to house the State's treasures. State History houses a manuscript collection, photograph collection, and some artifacts. Archives house a large collection of records from local and state governments. Arts house a vast collection of arts.

Additional principles were identified. The second principle affirmed the cost for this alternative cannot exceed the original budget of the Archives building as a stand alone project. The proposal must enhance all three agencies. The proposal cannot include any elements that would hurt any of the three agencies. The proposal must ensure adequate parking needs are met. The Rio Grande Café must be addressed. The building should meet the Secretary of Interior Standards for Rehabilitation. The proposal must determine how the shared facility spaces can be programmatically compatible for use between all three agencies. The proposal must address the Depot's collection problems and the stacks in the library office rooms. The proposal must consider the advantage of the co-location of the Utah Arts Council's staff, which is currently located in several locations. The proposal must address Archives' temporary storage needs. Because collection needs of the three agencies are the same, the proposal should consider keeping the collection in the same space. The proposal should stress how the State's investment will enhance the community of Salt Lake City.

Stephen Smith, GSBS Archives, provided a brief summary and stated they met with the representatives from all three agencies, the Café, city planners and others who had some interest to develop the guiding principles and set the ground rules. They met in several sessions with smaller groups to develop a series of concepts to determine how to meet the needs of the three agencies and determine their shared functions. The proposed recommendation took all of the public interface functions, primarily with Archives and History and Arts, in a shared library resource component. This works very well on the ground floor of the south wing. They would also remove the sensitive collections from above the Café and place them in the building which would have proper climate control and seismic protection for the State's treasures. Office space would also be rearranged. They would need to build 8000sf less of new building and if they took the same budget, which resulted in approximately \$1 million to accomplish a 40,000sf new structure to house the State's valuable collections. By spending \$9.1 million on the Rio Grande site, they not only solve Archives collection problems, they also solve the history collection problems. The office space for the Arts Council would also be resolved as well by consolidating their staff and make it available for other state use. They also met a guiding principle by making a more important economic development contribution to Salt Lake City. They determined that by doing the Archives facility this way, the state gets much more value at \$9.1 million than just the Archives building.

Chair Stepan raised concern if the downtown site was more expensive than locating the facility in the valley. He felt it appeared they had managed to solve some problems within the budget and still get more at this location than elsewhere. Mr. Martin said they would have had to buy land if this site would not have worked.

A better parking solution was also provided. Currently 146 stalls exist at the Rio Grande site and the city requirement would be 160 stalls. By reconfiguring parking at the various areas, they could total to 196 spaces which does not count any of the highly utilized street parking as it could not be included in the parking analysis.

Haze Hunter asked why it was possible to solve the needs of all three buildings with the same dollars as was being spent on Archives. Mr. Martin responded this was due to being able to consolidate the storage of collections from cubic feet to square feet. Although the proposed building consisted of 8000sf less, the cubic feet increased and the storage space increases. The program from the Archives project has remained intact and the renovation costs are also included.

Joseph Jenkins stated the Capitol Preservation Board's intent is to relocate Archives off of the Hill within a year in order to begin running utility lines for the new building. There is not a contingency plan in the event funding is not received for Archives. Some space is available downtown and could house Archives temporarily, but it is inadequate and not the type of space desired.

Haze Hunter felt this building should have top priority as the Board has been trying to find a permanent home for Archives for several years and are now running out of time. The Board determined to table the issue until after the tour and then determine how to proceed with the issue.

☐ **2002-2003 BUILDING BOARD MEETING SCHEDULE**

Chair Stepan sought comments on holding the October hearings to one day. Haze Hunter suggested limiting the hearings to Tuesday, October 1, 2002.

☐ **UPCOMING VALUE BASED PROCUREMENT SELECTIONS.....**

The UVSC Wasatch Campus Design/Build – Stage Two was rescheduled for Thursday, August 8.

The USU Merrill Library Replacement - Design Phase will be held on Friday, August 2. Kerry Casaday will serve on the selection committee.

The U of U Marriott Library Renovation – CM/GC will be held August 5 and 6, 2002. Keith Stepan or Kerry Casaday will serve on the selection committee.

☐ **ADMINISTRATIVE REPORTS FOR DFCM**

Kenneth Nye stated there were no unusual items in the report. On the contingency fund, the current report showed a balance of \$4,264,000. The Legislature previously appropriated \$600,000 which is the level DFCM felt they were able to contribute at this point in time. The project reserve fund currently shows a balance of \$2,632,000 and the Legislature appropriated \$2,186,400. There are some items currently pending not yet reflected in the report. Some projects have come in under budget resulting in approximately \$1,200,000 in project savings. Everything in this account will be used by DFCM.

☐ **APPROVAL OF STATE SHARE OF THE SETTLEMENT ON THE UNIVERSITY OF UTAH CHRISTENSEN BUILDING PROJECT**

The Board moved to a closed session at 10:21am to discuss pending litigation and strategies for resolution.

MOTION: Kay Calvert moved to return to regular session at 10:54am. The motion was seconded by Larry Jardine and passed unanimously.

MOTION: Kerry Casaday moved to release \$100,000 from the contingency fund to settle Christensen Center claim at the University of Utah. The motion was seconded by Kay Calvert and passed unanimously.

☐ **ADJOURNMENT**

The Board adjourned at 10:56am to proceed with the tours. After concluding with the tours, a motion was sought on the Archives relocation.

MOTION: Kay Calvert moved to proceed with the programming to co-utilize Arts, Archives, and History at the Rio Grande site. The motion was seconded by Haze Hunter and passed unanimously.

Minutes prepared by: Shannon Lofgreen